



**Securities and Exchange Commission of Pakistan**  
**Adjudication Division**  
**Adjudication Department-I**

Before Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)

**In the matter of Safa Textiles Limited**

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Date of Hearing

January 8, 2020, January 22, 2020, January 31,  
2020, February 19, 2020

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**Order-Redacted Version**

Order dated February 28, 2020 was passed by Executive Director/Head of Department (Adjudication Department-I) in the matter of Safa Textiles Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated March 01, 2019
2. Name of Company	Safa Textiles Limited
3. Name of Individual*	The proceedings were initiated against the directors of the Company i.e. Safa Textiles Limited
4. Nature of Offence	Violation of section 196 of the Companies Ordinance, 1984 (the "Ordinance")
5. Action Taken	Key findings of were reported in the following manner:  I have observed that the Respondents have failed to obtain the consent of the shareholders in the general meeting either specifically or by way of an authorization, to lease out 65% area of building to various tenants. I am therefore of the view that the Respondents violated the requirements of section 196(3)(a) of the Ordinance. I, therefore in term of section 196(4) of the Ordinance, hereby impose aggregate penalty of Rs. 60,000/- (Rupees sixty thousands only) for contravention of the requirements of section 196(3)(a) of the Ordinance on the Respondents.



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	<p>Nothing in this Order may be deemed to prejudice the operation of any provision of the Act providing for imposition of penalties in respect of any default, omission or violation of the Act.</p> <p>Penalty order dated February 28, 2020 was passed by Executive Director/ HOD (Adjudication Department-I).</p>
6. Penalty Imposed	A penalty of Rs.60,000/- (Sixty thousands) was imposed on the Respondents.
7. Current Status of Order	No Appeal has been filed by the respondents

Redacted version issued on August 25, 2020 for placement of website of the Commission.